

Introduced by Senator Hertzberg

February 27, 2015

An act to amend Section 1904 of, and to repeal Section 1906 of, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 697, as introduced, Hertzberg. Public utilities: certificates of public convenience and necessity: fees.

The Public Utilities Act prohibits any street railroad corporation, gas corporation, electrical corporation, telegraph corporation, telephone corporation, water corporation, or sewer system corporation from beginning the construction of, among other things, a line, plant, or system, or of any extension thereof, without having first obtained from the Public Utilities Commission a certificate that the present or future public convenience and necessity require or will require that construction (certificate of public convenience and necessity). Existing law provides that each application for a certificate of public convenience and necessity be accompanied by a fee of \$500, unless the applicant is already operating in the immediate vicinity under the jurisdiction of the commission. Other existing law requires the commission to charge and collect a fee of \$75 for each application for a certificate of public convenience and necessity, or for the mortgage, lease, transfer, or assignment thereof, except for those applications for a certificate that are required to be accompanied by a fee of \$500.

This bill would require the commission to charge and collect a fee of \$500 for each application for a certificate of public convenience and necessity, or for the mortgage, lease, transfer, or assignment thereof.

Existing law establishes the Public Utilities Commission Utilities Reimbursement Account in the General Fund and generally provides

that all fees and charges collected under the Public Utilities Code, except penalties, from each public utility be paid into the fund.

Other existing law provides that specified fees, including the fee for filing each application for a certificate of public convenience and necessity, or for the mortgage, lease, transfer, or assignment of a certificate, and fees charged for preparation of certain official documents, are required to be paid at least once each month into the State Treasury to the credit of the General Fund.

This bill would repeal the provision that requires certain fees to be paid at least once each month into the State Treasury to the credit of the General Fund.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 1904 of the Public Utilities Code is
2 amended to read:

3 1904. The commission shall also charge and collect the
4 following fees:

5 (a) Except as otherwise provided in Section 1036 for filing each
6 application for a certificate of public convenience and necessity,
7 or for the mortgage, lease, transfer, or assignment thereof,
8 ~~seventy-five dollars (\$75)~~; *five hundred dollars (\$500)*. *The*
9 *commission may adjust this fee based on the Consumer Price*
10 *Index. The fee charged and collected pursuant to this subdivision*
11 *shall not exceed the reasonable costs to process the application.*

12 (b) For a certificate authorizing an issue of bonds, notes, or
13 other evidences of indebtedness, two dollars (\$2) for each one
14 thousand dollars (\$1,000) of the face value of the authorized issue
15 or fraction thereof up to one million dollars (\$1,000,000), one
16 dollar (\$1) for each one thousand dollars (\$1,000) over one million
17 dollars (\$1,000,000) and up to ten million dollars (\$10,000,000),
18 and fifty cents (\$0.50) for each one thousand dollars (\$1,000) over
19 ten million dollars (\$10,000,000), with a minimum fee in any case
20 of fifty dollars (\$50). No fee need be paid on such portion of any
21 such issue as may be used to guarantee, take over, refund,
22 discharge, or retire any stock, bond, note or other evidence of
23 indebtedness on which a fee has theretofore been paid to the
24 commission. If the commission modified the amount of the issue

1 requested in any case and the applicant thereupon elects not to
2 avail itself of the commission's authorization, no fee shall be paid,
3 and if such fee is paid prior to the issuance of such certificate by
4 the commission, such fee shall be returned.

5 SEC. 2. Section 1906 of the Public Utilities Code is repealed.

6 ~~1906. All fees collected under this chapter shall be paid, except~~
7 ~~as provided in Chapter 6 (commencing with Section 5001) of~~
8 ~~Division 2, at least once each month into the State Treasury to the~~
9 ~~credit of the General Fund.~~